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21 October 1998

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PEDETAL COMMUNICATIONS COMMISSION OFFICE OF THE SECRETARY

## BY HAND DELIVERY

Ms. Magalie Roman Salas Secretary Federal Communications Commission 1919 M Street, N.W., Room 222 Washington, D.C. 20554

Re:

1998 Biennial Regulatory Review—Review of International Common Carrier Regulations, IB Docket No. 98-118 Notice of Ex Parte

Presentation

Dear Ms. Salas:

Pursuant to Section 1.1206 of the Commission's rules, Tyco Submarine Systems Ltd. ("TSSL") hereby notifies the Commission of a written ex parte presentation in the abovereferenced proceeding. The attached letter was delivered by TSSL's counsel to the following FCC officials: Regina Keeney, Troy Tanner, Diane Cornell, Joanna Lowry, George Li, and Doug Klein.

Please contact me with any questions regarding this filing.

Respectfully submitted,

Scott Blake Harris

Counsel for Tyco Submarine Systems Ltd.

Regina Keeney cc:

Troy Tanner Diane J. Cornell Joanna Lowry George S. Li Douglas Klein

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## **Hand Delivery**

Ms. Regina Keeney Chief International Bureau Federal Communications Commission 2000 M Street, N.W., Room 800 Washington, D.C. 20554

Re:

1998 Biennial Regulatory Review—Review of International Common Carrier Regulations, IB Docket No. 98-118

Dear Ms. Keeney:

On behalf of Tyco Submarine Systems Ltd. ("TSSL"), we would like to address a number of concerns raised in the reply comments regarding submarine cable systems. In particular, TSSL notes that the Commission's proposals fully accommodate the national security and law enforcement interests identified by the Federal Bureau of Investigation ("FBI"). First, the Commission has *always* been mindful of—and shown deference to—the national security and law enforcement concerns of the Executive Branch. Second, the Commission has in no way proposed to modify the procedures or standards used in evaluating the impact of submarine cable construction and services on national security and law enforcement. It has merely moved to eliminate a regulatory safeguard that, in the emerging market for international communications, serves only to limit competition.

See In the Matter of 1998 Biennial Regulatory Review—Review of International Common Carrier Regulations, Notice of Proposed Rulemaking, IB Docket No. 98-118 (rel. July 14, 1998) ("NPRM"); Reply Comments of the Federal Bureau of Investigation, IB Docket No. 98-118, at 8-9 (filed Aug. 28, 1998).

By eliminating the presumption against non-U.S.-licensed submarine cable systems, the Commission would not hinder the ability of the Executive Branch—including the FBI—to raise national security or law enforcement concerns regarding the use of those cable systems. As the Commission specifically said:

If it becomes necessary to prohibit the use of any specific cable system (whether one that lands on U.S. shores or not), we may add it to the exclusion list . . . . <sup>2</sup>

While the Commission noted that such exclusions would take place "only in the most imperative of circumstances," obviously those circumstances include the expression of national security and law enforcement concerns. The Commission's proposal thus accommodates—as it should—the national security and law enforcement concerns identified by the FBI.<sup>4</sup>

Nor does the Commission's proposal favor non-U.S.-licensed systems over U.S.-licensed ones. The Commission's proposal eliminates a discriminatory and anticompetitive provision in its existing rules.<sup>5</sup> The presumption against the use of non-U.S.-licensed submarine cable systems is inconsistent with other pro-competitive and deregulatory actions recently taken by the Commission with respect to international services.<sup>6</sup> Moreover, the exclusion list and the presumption may well violate the international obligations of the United States, as undertaken in the General Agreement on Trade in Services and the World Trade Organization Agreement on Basic Telecommunications, by applying disparate licensing criteria to non-U.S.-licensed submarine cable systems.<sup>7</sup>

<sup>&</sup>lt;sup>2</sup> NPRM, ¶ 26.

<sup>&</sup>lt;sup>3</sup> *Id*.

<sup>&</sup>lt;sup>4</sup> See FBI Reply Comments, at 9.

See Comments of Tyco Submarine Systems Ltd., IB Docket No. 98-118, at 2-3 (filed Aug. 13, 1998).

<sup>&</sup>lt;sup>6</sup> See id.

See id. at 3 n.4.

Ms. Regina Keeney 21 October 1998 Page 3

In sum, the Commission's proposal does not impinge on the requirement that the Commission obtain the consent of the Executive Branch prior to licensing submarine cable construction and services, or preclude the Executive Branch from raising national security or law enforcement concerns regarding carriers' use of non-U.S.-licensed submarine cable systems. Instead, it removes a competitive safeguard that no longer serves the interest of competition on international routes.

Respectfully submitted,

Claire L. Calandra
Vice President and General Counsel
Tyco Submarine Systems Ltd.

Scott Blake Harris Kent D. Bressie

Counsel for Tyco Submarine Systems Ltd.

cc:

Diane J. Cornell Troy Tanner Joanna Lowry George S. Li Douglas Klein